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**UNIVERSITY OF HEIDELBERG**

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CURRENT POSITION Assistant Professor of Economics, University of Heidelberg

**EDUCATION**

Ph.D. University of Munich (2000 -2006)  
Thesis Title: "Currency Changeovers as Natural Experiments"  
Thesis Commission: - Ray Rees (Munich)  
- Guido Tabellini (Bocconi)  
- Joachim Winter (Munich)  
Visiting Student Università Bocconi, Milan (2001- 2004)  
  
Master in Economics and Master in Advanced Studies (MAS),  
Universitat Pompeu Fabra, Barcelona (1999-2001)  
  
Diplomvolkswirt, University of Munich (1994 – 1999)  
  
Visiting Student, Colorado School of Mines, Golden, CO (1993)  
  
Political Science at the Metropolitan State College of Denver, Denver, CO (1992 - 1993)

**RESEARCH INTERESTS**

Macroeconomics, Monetary Economics, Banking

**PROFESSIONAL EXPERIENCE**

Assistant Professor, University of Heidelberg (since 2006)  
Visiting Researcher at the  
Estonian Central Bank (Spring 2006)  
Research Assistant at the Department of Economics, University of Munich (2005)  
Research Assistant at the Chair of International Economics,  
University of Munich (1995 - 1998)  
  
Teaching Assistant at Free University of Bozen/Bolzano, (Undergraduate Courses)  
Fall 2005 Volkswirtschaftslehre 2 A, Prof. Irmen  
Fall 2005 Microeconomics 2 A, Prof. Irmen  
Teaching Assistant at Università Bocconi, (Graduate Courses, Master in Economics)  
Fall 2004 Macroeconomics 1a, Prof. Ferraguto  
Fall 2003 Macroeconomics 1b, Prof. Söderström  
Fall 2003 Macroeconomics 1a, Prof. Ferraguto  
Spring 2003 Macroeconomics 3, Prof. Galasso  
Spring 2003 Macroeconomics 2, Prof. Tabellini  
Teaching Assistant at the Colorado School of Mines, Language Department  
Fall 1993 German 231, Prof. Cieslewitz  
Piano Teacher

## FELLOWSHIPS AND AWARDS

Teaching Award (Best Teaching Assistant), Università Bocconi (2004)

*Marie-Curie* Scholarship (2003-2004)

*MURST* - Scholarship for Ph.D. Students, Italian Ministry of Education (2002-2003)

*MURST* - Scholarship for Ph.D. Students, Italian Ministry of Education (2001-2002)

*ERASMUS* - Scholarship (1996-1997)

## COMPUTER AND LANGUAGE SKILLS

MS Office, EViews, STATA, Matlab, RATS

German (mother tongue),

English (fluent in speech and writing)

Italian (fluent in speech)

Spanish (very good)

French (intermediate)

## SEMINARS AND CONFERENCES

- 2008 Verein für Socialpolitik, Graz (September)  
EEA Conference Milan (August)  
WIEM 2008, Warsaw (July)  
Faculty Seminar, University of Heidelberg (January)
- 2007 EMU Conference, Malta – invited presentation – organized by the  
European Commission and the Government of Malta, (October)  
Faculty Seminar, University of Heidelberg (May)  
Arcelli Lectures, Piacenza, Italy (April)  
Atlantic Economic Conference, Madrid (March)
- 2006 Faculty Seminar, University of Heidelberg (November)  
Research Conference, Püjaarve, organized by Central Bank of Estonia (March)  
Research Seminar, Central Bank of Estonia (March)  
Faculty Seminar, University of Munich (January)  
University of Georgia, Athens (January)  
Research Seminar, Austrian Central Bank (January)
- 2005 Research Seminar, Central Bank of Estonia (December)  
XXX Simposio de Análisis Económico in Murcia, Spain (December)  
ASSET conference in Crete, Greece (October)  
IO and Finance Seminar, University of Munich (August)  
SAET conference in Vigo, Spain (July)  
Workshop in Monetary Economics in Halle, Germany (June)
- 2004 XXIX Simposio de Análisis Económico in Pamplona, Spain (December)  
ZEI summerschool in Bonn, Germany (August)  
Internal Seminar, Università Bocconi in Milan, Italy (April)
- 2003 MCE conference in Siena, Italy (April)  
Internal Seminar, Università Bocconi in Milan, Italy (March)

## WORKING PAPERS AND ONGOING RESEARCH

### *DO MENU COSTS MAKE PRICES STICKY?*

This paper studies whether menu costs are large enough to explain why firms are so reluctant to change their prices. Without actually estimating menu costs, we can infer their relevance for firms' price setting decisions from observed pricing behavior around a currency changeover. At a currency changeover, firms have to reprint their price tags (menus) independently of whether or not they want to change prices. And if this is costly, firms' price setting behavior is altered in the months around the changeover. Using data from the Euro-changeover, the paper estimates that menu costs can explain a stickiness of around 30 days which is considerably less than the 7 to 24-month stickiness we observe in retailing and in the service sector. The reluctance of firms to adjust prices more frequently appears to be caused by factors other than menu costs.

### *COSTLY INFLATION MISPERCEPTIONS*

(with Stephan Maier)

This paper estimates the economic costs of the euro changeover in January 2002. The changeover appears to have caused a decline in economic activity in several sectors. For the German restaurant sector alone we estimate revenue losses of more than two billion euros. This type of side effect of the changeover was unnecessary and could have been avoided. Policy recommendations for future changeovers are provided.

### *COPING WITH PEOPLE'S INFLATION PERCEPTION DURING CURRENCY CHANGEOVERS*

(with Timothy Coombs)

The gap between actual and perceived inflation is one of the more unexpected consequences of the euro changeover in January 2002. In this note we argue that this gap was caused by a lack of preparation and experience of the authorities to appropriately communicate with the public during the changeover. Using principles of crisis communication we identify the mistakes made and give policy recommendations for future changeovers.

### *JOB MARKET PAPER: Price Setting Behaviour and Price Setting Regulations at the Euro Changeover*

The goal of this paper is twofold. First, I document the impact of the Euro changeover on (relative) prices. The impact was mostly transitory, where prices returned to their pre-changeover level within a few weeks. But in some industries, especially services, the impact appears to be persistent. The second goal of the paper is normative. The impact differs widely across Euro-countries and there are some countries where price setting at the changeover does not appear to be much different than during other periods. Focusing on Austria and Germany, I argue that the reason for this is the way in which the

countries regulated price setting at the changeover. A theoretical discussion about transitory and persistent non-neutralities of a currency changeover is provided.

*Can “Price Stickiness” Explain the Persistent Price increases at the Euro Changeover?*

The central assumption of this paper is that the transitory and the persistent price increases we observed at the Euro changeover have the same underlying cause: firms trying to take advantage of the confusion among consumers that comes with the introduction of a new and unfamiliar currency and the changing of all nominal prices. The hypothesis is that services prices only appear to have increased persistently because firms in these sectors tend to keep their prices unchanged for several months. The trade off these firms face is between the short run gains from taking advantage of the confusion and the losses in future months when the confusion disappeared but prices are still above the “optimum”. Simulations of the model show that price stickiness may have contributed to the increase but is not enough to explain the magnitude we observe in the data.